ANNEXURE 13

DRAFT TRAVELLING ALLOWANCE POLICY

NB: Interpretation of colour usage in this document:

- **black = remains;**
- **red = delete;**
- **green = insert**

DOCUMENT MANAGEMENT

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1. ABBREVIATIONS AND DEFINITIONS

1.1. Abbreviations

ABBREVIATION	ACRONYM
AASA	Automobile Association of South Africa
HCM	Human Capital Management
HCA	Human Capital Administration
MCLM	Mogale City Local Municipality
MM	Municipal Manager
Km	Kilometer
SARS	South African Revenue Services
SASRIA	South African Special Risk Insurance Association
SALGBC	South African Local Government Bargaining Council

1.2. Definitions

For the purpose of this policy, the following definitions apply:

TERM	DEFINITIONS
Comprehensive Vehicle Insurance	Comprehensive vehicle insurance cover means that you will be covered in most circumstances , including damage, theft or hijacking, as well as injury to others and their property
First-level manager	First-line level managers are employees in the levels below middle-level managers and are responsible for managing sub-divisions within divisions. The managerial functions of first-line managers are centered on the daily activities of their sub-divisions, short-term planning and implementing the plans of middle management. Their primary concern is to apply rules and procedures to achieve a high level of productivity, to provide technical assistance, to motivate subordinates and to accomplish day-to-day objectives
Fixed Compensatory Allowance	This is an allowance that shall be payable to employees in the positions lower than First-level and Middle-level Managers who by the nature of their duties are compelled to utilize their private vehicles in the completion of their official duties on a regular basis
Fixed Travelling Allowance	This is an allowance that shall be payable automatically to incumbents appointed on a permanent and/or fixed term contract in the First-level and Middle-level Managers' positions
Fringe Benefits	Compensation in addition to direct wages or salaries
Head of Department	Senior Managers responsible for departments and reporting directly to the MM
Locomotion	The term **locomotion** means movement or travel
Management	Top Managers (Municipal Manager), Senior Managers (Executive Managers), Middle Level Managers (Managers) and First Line Managers (Assistant Managers)

TERM	DEFINITIONS
Middle level Manager	Middle-level managers are functional heads in the levels below senior managers and are responsible for managing divisions within the department. Middle management is concerned with the near future and is therefore responsible for medium-term and short-term planning.
Motor Vehicle	As indicated and maintained by the Automobile means any self-propelled vehicle and includes- (a) a trailer; and (b) a vehicle having pedals and an engine or an electric motor as an integral part thereof or attached thereto and which is designed or adapted to be propelled by means of such pedals, engine or motor, or both such pedals and engine or motor, but does not include: - (i) any vehicle propelled by electrical power derived from storage batteries and which is controlled by a pedestrian; or (ii) any vehicle with a mass not exceeding 230 kilograms and specially designed and constructed, and not merely adapted, for the use of any person suffering from some physical defect or disability and used solely by such person
Official Distance	The distance in kilometres covered by an employee excluding the distance between work and home
Ownership Costs	Association of South Africa in the tables for "Estimated average car ownership costs over 6 (six) years The rate is indicated in cents per kilometre and consists of: The fixed cost of the vehicle, and the total running cost of the vehicle
Post or Post Coupled	A position or post with which a fixed or running monthly Travel allowance is coupled and qualifies for a Transport travelling allowance in terms of the Travel policy.
Re-imbursement allowance	Is an allowance or advance which is based on the actual distance travelled for business purposes of which the amount payable will be made to an employee by multiplying the actual business kilometres travelled by a running cost rate per kilometre.
SASRIA	Is designed to augment the insurance that is offered by the insurer, but that's excluded on the basis of it being caused by extraordinary circumstances that the insurance company are not prepared
Scheme	A method used to regulate travelling allowance policy
Total Fixed Cost	The rate in cents kilometre as determined by the value of the vehicle. : provided that the value of the vehicle concerned is as indicated in the Auto Dealer's Digest,plus value – added tax The incumbents shall be compensated on the following basis: The monthly official km allocated shall be subtracted from the actual km travelled and the difference will be paid e.g. 800-600=200km.
Total Running Costs	The rate in cents per kilometre, consisting of the Following elements:

TERM	DEFINITIONS
	• The cost of fuel in relation to the vehicle's engine capacity or as limited in this policy. • Maintenance costs in relation to the vehicle's engine capacity or as limited in this policy. Purchase price (Principal debt) shall mean the selling price of the car plus extras. **This does not include the Finance charges**

2. EXECUTIVE STATEMENT

MCLM realized the need to set uniform and/or consistent guidelines, conditions and restrictions according to which the scheme will be managed; limiting and reducing differences in travelling allowance within the MCLM.

NB: The word Scheme and Travelling Scheme shall be used interchangeably in this policy

3. INTRODUCTION

The Travelling Policy deals with the payment of a travelling allowance to employees who qualify for travelling allowance or who must use own private transport in the execution of official duties.

3.1 Policy Objectives

3.1.1 To provide uniform guidelines, conditions and restrictions according to which the scheme will be managed and applied to limit material differences between participants within the Municipality.

3.1.2 To provide guidelines, make provision for an economic basis of calculation and criteria to regulate the allocation of a fixed travelling allowance and reimbursement of actual official travelling for employees who qualify for participation in the Travelling Scheme.

3.1.3 To ensure that whilst allowing fringe benefits to qualifying employees, compliance with statutory requirements is upheld at all times.

3.1.4 To have sufficient flexibility of the scheme so that the Municipality can make internal rules to provide for unique circumstances.

3.1.5 To have the remuneration basis and scheme benefits in respect of employees who must use private transport in the execution of official duties, or who qualify for participation in the scheme; and/ or because official transport is unavailable; and/ or because an agreement has been concluded with an employee beforehand to use private transport for official purposes.

3.2 Legislative Mandates

3.2.1 Basic Conditions of Employment Act 75 of 1997, as amended
3.2.2 Labour Relations Act 66 of 1995, as amended
3.2.3 Municipal Financial Management Act 56 of 2003, as amended

3.2.4 Employment Equity Act No 55 of 1998" as amended
3.2.5 Municipal System Act, 32 of 2000
3.2.6 Constitution of the Republic of South Africa (Act 108 of 1996)
3.2.7 Treasury Regulations

4. SCOPE AND APPLICABILITY

The Travelling Allowance Policy is applicable only to employees falling under SALGBC appointed on a permanent and/or fixed term contract at MCLM on position at post levels 4 to 1 **(T15 to T19)** (first line managers and middle managers) that automatically qualify, and those employees who inherently by nature of their duties are involved on functional areas and are compelled to utilize their private vehicles in the completion of their official duties on a regular basis.

5. ROLES AND RESPONSIBILITIES

5.1 Council

It is the responsibility of Council to approve the Travelling Allowance Policy.

5.2 Municipal Manager

It is the responsibility of the MM to:

5.2.1 Approval of the recommendations made by the Executive Managers and kilometres above 1200.
5.2.2 Grant approval or decline reports for travelling allowance for employees.
5.2.3 Grant approval for termination of travelling allowance if the job profile is amended and the responsibilities no longer require travelling.

5.3 Executive Managers

It is the responsibility of the Executive Managers to:

5.3.1 Motivate for approval of travelling allowance and termination/ suspension of travelling allowance as informed by the job profile (i.e. inherent job responsibilities) to the MM.
5.3.2 It is the responsibility of the Executive Manager to verify and authorise the accuracy of the kilometers on the log sheets before approval and submission to HCM.
5.3.3 Making recommendations for the kilometres qualified for.
5.3.4 Monitoring the implementation of the policy in respective departments.

5.4 First-line Managers

It is the responsibility of First Line Mangers to:

5.4.1 Go through the log sheets and confirm the accuracy of the kilometers on the log sheets.
5.4.2 Annually monitor if the purchased motor vehicle matches the documents submitted at HCM and Expenditure Management.

5.5 Human Capital Management

5.5.1 Capturing the approved recommendations received from department and forwarding them to Expendire Division for implementation

5.6 Human Capital Administration Sub-division

It is the responsibility of the HCA to:

5.6.1 Process the requests for travelling allowance reports as approved by the MM.

5.6.2 Ensure that documents required for submission of Travelling Allowance reports to Expenditure Management (vehicle tax invoice, vehicle registration certificates and insurance documents) are attached and correct.

5.6.3 Send reminders to employees for submission of motor vehicle insurance documents on an annual basis.

5.7 Expenditure Management Division

It is the responsibility of Expenditure Division to make calculations and payment of locomotion allowance as approved by the MM.

5.8 Individual Employees

It is the responsibility of the individual employees to:

5.8.1 To ensure that correct procedures and processes are followed when applying for traveling allowance and review of travelling allowance.

5.8.2 To ensure that they submit accurate and relevant documents to their line managers, verify and attach on the report documents including insurance that should be submitted to HCA.

5.8.3 To submit a log sheet at the end of every month.

5.8.4 To annually submit motor vehicle insurance document to HCA.

5.8.5 To keep regular log sheets acceptable to SARS for business kilometers travelled and to submit such log sheets annually to SARS as part of their income tax return.

5.8.6 Adhere to the policy.

6. POLICY CONTENT

6.1 Participation in the Travelling Allowance Scheme

An employee who qualifies for locomotion allowance; or an employee who on application and with the agreement uses a private vehicle in the execution of official duties shall be a participant in the scheme and their positions should inherently require travelling and also be subject to the conditions and restrictions imposed in this policy. An employee shall be a participant in the Travelling Allowance Scheme and consequently be entitled to benefit; and also be subject to the conditions and restrictions imposed in this policy if:

(a) He/she is in the position that automatically qualifies for allowance; or

(b) He/she qualifies for Travelling Allowance based on the nature of his/her work and with the agreement that the employee will use his/her private vehicle in the execution of official duties.

6.1.1 An employee who only requires travelling to implement a short term project, shall not qualify for travelling allowance

6.1.2 The Allowance is meant to facilitate access to motoring needs for management staff. Furthermore the municipality recognize that in relation to some positions not at management level and due to the widely dispersed geographical layout, staff may from time to time be required to use their private vehicles to travel ~~within the municipality~~ on official business.

6.1.3 In terms of this policy, the municipality will provide to qualifying employees Travelling Allowance under the following three categories, namely, fixed travel allowance, fixed compensatory travelling allowance and re-imbursement travelling allowance.

6.1.4 The employees appointed in the positions:

(a) Qualifying automatically must thus bring and use their own private vehicle (registered under the incumbents name) in the execution of official duties and will be entitled to receive a fixed monthly Travelling allowance; and

(b) Qualifying based on the nature of work and it's approved for employees to bring and use their vehicle in the execution of official duties will be entitled to receive re-imbursement Travelling allowance.

6.1.5 In terms of the Travelling allowance scheme it is thus a requirement that employees appointed in the posts above must have their own transport available on a daily basis for the execution of official duties and the payment of a monthly transport allowance shall thus be subject to the following conditions:

(a) no official transport is provided to such incumbents;
(b) residence to place of work journeys do not form part of the allowance; and
(c) all other requirements contained in this policy must be complied with.

6.2 Requirement for application

To be eligible to receive Travelling Allowance, an employees is required to:

6.2.1 Be a full time employee of Mogale City Local Municipality,
6.2.2 Own private vehicle (vehicle registered under the incumbents name),
6.2.3 Be in possession of a valid driver's license,
6.2.4 Have the tax invoice of the car/ vehicle that is going to be used for work purpose (the invoice must have the incumbent/ recipient's information),
6.2.5 Have the vehicle registration document from licensing Department (RC1) that has the incumbent/ receipt's information,
6.2.6 Be in ownership of insurance documents of the vehicle that will be used for official business trips,
6.2.7 The criteria for locomotive allowance will be based on the travelling distance based on the log book of To have captured on the log sheet as prove that he/she travelled 650km average per month on official duty over a period of 3 months, excluding the distance travelled from home to work or vice versa. where only staff members would have then take their average ecxcluding leave. Records of three months log sheet will be monitored by the Executive Managers.
6.2.8 log sheets should be signed by the immediate supervisor for consideration by the Head of Department
6.2.9 Have a motivation compiled by the immediate supervisor submitted to the Head of Department for consideration
6.2.10 The motivation should give the Head of Department an option to recommend or decline the submission/ request

6.3 Requirement for application to increase Travelling Allowance

To be eligible to receive an increase Travelling Allowance, an employees is required to:

6.3.1 To have captured on the log sheet as prove that he/she travelled more than 650km average per month on official duty over a period of 6 months, excluding the distance travelled from home to work or vice versa.

6.3.2 log sheets should be signed by the immediate supervisor for consideration by the Head of Department

6.3.3 Have a motivation compiled by the immediate supervisor submitted to the Head of Department for consideration

6.3.4 The motivation should give the Head of Department an option to recommend or decline the submission/ request

NB: If the motivation is declined of by Head of Department, it should not be forwarded for further consideration

6.4 Guiding Principles and Conditions (Provisions of the Locomotion Allowance Policy)

6.3.1 Employees who on commencement of the revised policy qualified for Travelling allowance benefit, shall be entitled to continue such benefit in accordance with the provisions and conditions of the applicable policy before the amendment until the loan taken for vehicle used under the scheme is paid off and thereafter the benefits thereof shall be reviewed and may be withdrawn or amended as appropriate in line with the revised Travelling Allowance policy.

If incumbents who qualify for a fixed locomotion allowance cover more than allocated distances, the incumbent shall be compensated on the following basis: The monthly official km allocated shall be subtracted from the actual km travelled and the difference will be paid e.g. 800 – 600 = 200km.

6.3.2 In order to qualify for any of the category of travelling allowance, employees should be in possession of his/her vehicle registered in his/her name as he/she will be the one receiving the travel allowance.

6.3.3 In the event that an employee who is entitled to a fixed travelling allowance and fixed compensatory travelling allowance is not in possession of a valid driver's license and/or a privately owned vehicle, the fixed monthly transport allowance will be discontinued for the corresponding period until such time that these qualifying requirements are met.

6.3.4 Employees who receive a fixed or re-imbursement travelling allowance are responsible for the financing, full cost of maintenance, insurance, licensing and registration of their private vehicles.

6.3.5 In order to assist an employee appointed to a position which is eligible to fixed or re-imbursement Travelling allowance to obtain finance to purchase own vehicle the municipality will provide confirmation that the incumbent is indeed a participant to Travelling allowance scheme.

6.3.6 The choice and type of the vehicle to be used by an employee who receives a fixed or re-imbursement Traveling Allowance should comply with the purpose and requirements for the execution of the employee's official duties.

6.3.7 An employee who receives a fixed or re-imbursement Travelling allowance (excluding employees responding to emergency operational activities) will only be allowed to travel as a passenger with official transport of MCLM, should circumstances deemed it necessary that an employee who is not incumbent to a fixed Traveling allowance has to travel to the same event and location with an official vehicle.

6.3.8 In the event where more than one employee who receives a fixed or re-imbursement travelling allowance have to attend the same meeting, seminar, congress, workshop, training course or any other event that the employees have to attend in their official capacity for which prior written approval has been obtained, such employees may travel together with an official pool vehicle.

6.3.9 An employee who receives a re-imbursement Travelling allowance and who is requested in a written instruction by the MM or his/her superior to be available for the performance of standby duty outside his/her normal working hours will not be allowed to travel with an official emergency vehicle between his/her residence and place of work, and such employees will only be allowed to claim for kilometers travelled when called out to attend to emergency work.

6.3.10 An employee who receives a fixed Travelling allowance will be regulated as follows:
6.3.10.1 not to claim for kilometers travelled to and from home;
6.3.10.2 that the official kilometers travelled will be calculated from his/ her work;
6.3.10.3 not to claim for kilometers within Mogale City area of jurisdiction.

6.3.11 Employee's tax as determined from time to time in terms of relevant legislation must be deducted from a participant's fixed travelling allowance and paid over to the SARS.

6.3.12 "In the event that it can be shown that the employee has received travelling allowance without having the requisite vehicle available for a **PERIOD OF THREE CONSECUTIVE MONTHS**, the overpayment of the allowance for the identified non-qualification period shall be recovered from the employee's salary **SHOULD THE EMPLOYEE FAIL TO PROVIDE VALID REASONS FOR NON-USAGE OF THE VEHICLE**"

6.3.13 The Municipal Manager shall approve of any employees in receipt of permanent travelling allowances, who are required to be transferred by the Council to other posts to which no travelling allowances are attached, or whose duties change to the extent that their posts no longer justify travelling allowances being attached to them, to continue to be paid the fixed cost portion of the allowances for the duration of outstanding fixed periods or payments of their existing vehicle financing agreements for their current vehicles purchased in terms of this scheme, or until the agreement or commitment is terminated/expires for any reason whatsoever.

6.5 Description and Calculation of Travelling Allowance Categories

6.4.1 A Fixed Travelling Allowance

6.4.1.1 This is an allowance that shall be payable automatically to incumbents whose inherent functions require travelling and the position shall be coupled with a locomotion allowance appointed on a permanent and/or fixed term contract on the First-level Management **(i.e. Assistant Managers)** and Middle-level Management **(i.e. Managers)** positions; provided that such employees:

(a) Are newly appointed by the MCLM with effect from date of approval of the Revised Travelling Allowance Scheme.
(b) Have successfully applied for promotional posts in First-level and Middle-level Managers with effect from date of approval of the Revised Travel Allowance Scheme.
(c) Meet the guiding principles and conditions provided for in 6.3.2 of this policy.

6.4.1.2 (a) The fixed travelling allowance payable together with the employee's salary on a monthly basis, shall be fixed amount calculated based on 35% of the basic salary (annual increase excluded), of the incumbent occupying the allowance bearing post

(c) The 35% of the basic salary excluding annual increase, fixed Travelling Allowance will be revised on a 3-year cycle on discretion by the Municipal Manager in consultation with the Executive Mayor, subject to the financial viability and affordability of the municipality.

6.4.1.3 The 35% of basic salary, fixed travelling allowance will be amended at the end of 5-7 year contract and will be open for revision in result of vehicle accidents and vehicle theft.

6.4.1.4 Any employee who receives a fixed travelling allowance and whose geographical location may change in future as a result of appointment in a promotional post, will not be entitled to travel with official transport to his/her new work centre; such an employee will have to travel with his/her own private vehicle and will not be entitled to claim for kilometers between his/her residence and new work center.

6.4.1.5 Employees who are in receipt of an existing fixed Travelling allowance which they enjoyed from their previous post in accordance with applicable policy before the amendment and who are appointed to a promotional post that have a fixed **transport travelling** allowance attached to it, shall relinquish their existing fixed Travelling allowance and move to the allowance prescribed for the new position.

6.4.1.6 Employees remain entitled to and must be paid the full amount of their fixed monthly travelling allowance during any period of absence on leave with full pay.

6.4.1.7 It will be an employee's own responsibility to keep regular log sheets acceptable to the SARS for business kilometers travelled and to submit such log sheets annually to the SARS as part of their income tax return.

6.4.1.8 All employees on level 3-1 will not qualify for locomotion allowance; as they are employed on Cost to Company and structure their own packages. Based on recommendation, Locomotion Allowance for all officials from level 4-15 will be determined by the inherent responsibilities and requirements of the job

6.4.1.9 The kilometre distance (minimum of 650km and a maximum of 1200km) will be determined by the relevant Executive Manager and approved by the MM. Any kilometres above the maximum kilometres will be approved by the MM.

6.4.1.10 The kilometres covered in the preceding three months must be divided by 3 to obtain an average monthly official kilometre distance in respect of the post. For official trips outside the above limit, or trips outside the Municipal boundaries, only the prescribed total running cost rate (fuel and maintenance costs) shall be paid and proof of kilometre distance travelled/ covered must be provided. Payment for trips outside the boundaries of the Municipality will only be made upon proof that the actual monthly kilometre distance allocated for fixed locomotion allowance has been exhausted.

6.4.2 Fixed Compensatory Travelling Allowance

6.4.2.1 Employees in the positions lower than First-level and Middle-level Managers who by the nature of their duties are compelled to utilize their private vehicles in the completion of their official duties on a regular basis are eligible to receive a fixed compensatory travelling

allowance with the recommendation of the Executive Manager and the approval of the Municipal Manager.

6.4.2.2 In order to provide a form of fringe benefit as well as to provide for actual distances travelled a fixed compensatory transport allowance will be allocated to these positions and the fixed allocation for this category will be paid in terms of a kilometer allocation coupled to the position from minimum of 650 km and may be increased according to the intervals of 150 km up to the maximum of 1 250 km.

6.4.2.3 Where an employee covers more than 1250 km per month for official purposes, it is suggested as a guideline that such incumbent rather be supplied with an official vehicle and in the case where fleet is not available running costs would be paid for the excess kilometers so travelled.

6.4.2.4 The procedure for the coupling of an allocation to the position will be as follows:

6.4.2.4.1 The incumbent will maintain officially approved log sheets of actual distances travelled for a period of **six (6) three (3)** months.

6.4.2.4.2 Only distances travelled within the Municipal boundaries or **to Council premises/works** outside such boundaries in the execution of official duties will be taken into account, distances between work and home will be excluded.

6.4.2.4.3 The Executive Manager will send a motivated report along with the log sheets to the Human Capital Management Division for investigation and recommendation, where after; the Executive Manager: Corporate Support Services will approve/ disapprove the coupling of the allocation to the post.

6.4.2.4.4 As it is accepted that employees do not, as a result of vacation etc; always utilize their full allocations every month, the lower interval will be allocated to the post should the average of the log sheets submitted fall between two intervals.

6.4.2.4.5 Should the Executive Manager after the initial approval receives request from the employee to re-determine or increase the kilometer allocation coupled to the position, such a review can only be done on a three (3) years cycle and the procedure above must once again be followed. This implies that the Executive Manager will not have the discretion to increase allocations at will after the initial approval.

6.4.2.4.6 If an employee is dissatisfied with the provision or re-determination of the official distance limit associated with the position coupled with a Travelling allowance held, the employee may request **discussions with the respective Executive Manager**. In the absence of an agreement being reached, the employee may take the matter further in line with the dispute resolution procedure in the Municipality.

6.4.2.4.7 The employee shall be notified in writing of the maximum kilometre distance (distance limit) per month that the municipality determined for each post.

6.4.2.4.8 It will be expected of employees in the positions with allocations above 650 km to, one (1) year after receiving the allowance:

(a) maintain log sheets for a minimum of three months annually as a control measure;

(b) send the log sheets to their Department to ensure that they are still entitled to the allowance based on such kilometers allocation;

(c) department should send control sheets to the Executive Manager: Corporate Support Services who will approve/disapprove the continuance of the allowance based on such allocation; and

(d) should the kilometers be reduced, the Human Capital Management Division in conjunction with the Department will inform the employee, of the reduction of the allocation after giving the employee one month's written notice.

6.4.2.4.9 The Executive Manager can at any stage terminate the **transport Travelling** allowance, after giving six months written notice, should he/she deem it no longer a necessity for the incumbent of the post to utilize his vehicle in the completion of his/her duties. During this period only the fixed cost component of the allowance will be paid. The Executive Manager: Corporate Support Services should then be informed accordingly.

6.4.2.4.10 The allowance payable will be calculated according to the fixed and running costs of the Automobile Association tables according to the 10 000 km column of the fixed cost component taking into account the employee's annual salary.

NB: Newly appointed employees to positions that already have Travelling allowance coupled to it, do not necessarily have to maintain the log sheet as the new incumbent will continue getting the same Travelling allowance coupled to that position unless it can be proven that the scope of travelling has increased.

6.4.3 Re-imbursement Travelling Allowance

6.4.3.1 The re-imbursement travelling allowance is an allowance or advance which is based on the actual distance travelled for business purposes of which the amount payable will be made to an employee by multiplying the actual business kilometers travelled by a running cost rate per kilometer.

6.4.3.2 The municipality shall offer a non-taxable reimbursive allowance deemed in terms of the Act to be expended on business travelling as such reimbursive amount:

6.4.3.2.1 will not exceed the running costs (fuel cost and maintenance cost) rate per kilometre as fixed by the Minister of Finance; and

6.4.3.2.2 the total business kilometres reimbursed for during the tax year will not exceed 8000 kilometres; and

6.4.3.2.3 no other form of compensation has been given/paid to the employee (such as a fixed travel allowance).

6.4.3.3 The incumbents in the positions lower than First-level and Middle-level Managers who do not receive the fixed compensatory travelling allowance may qualify to participate in re-imbursement Traveling allowance with the recommendation of the Executive Manager and the approval of the Municipal Manager only if there is a proven need for official travel within the boundaries of the municipality as substantiated by kilometre distance kept in a logbook/sheet by the incumbent.

6.4.3.4 To obtain approval in order to be eligible to participate in the scheme the incumbent should provide logbook/sheet which he/she has travelled **in excess of 300 km for every official kilometer** for each of the three successive months.

6.4.3.5 The re-imbursement Travelling allowance shall be allocated to the positions of which official kilometres distance in excess of 300 km should be travelled per month within the municipal boundaries and the kilometers to be claimed would be limited to the maximum of 650 km per month.

6.4.3.6 The re-imbursement Travelling allowance shall be payable based on preceding month's claim of actual official kilometers distance travelled within the municipal boundaries using the private vehicle officially approved for the purpose of Travel allowance.

6.4.3.7 For the purposes of claiming official distances travelled in a calendar month, employees must keep a logbook/ sheet acceptable to SARS reflecting the official and private kilometers travelled per month which must be approved in writing by the Senior Manager reporting directly to the Municipal Manager and submitted to the Department: Financial Services Management by no later than the 7th of the month following the month during which the official journeys were undertaken and such a claim will thus be processed with the salary.

6.4.3.8 No claims may be submitted for journeys between the employee's residence and place of work.

6.4.3.9 Prior written approval for all official journeys undertaken outside the municipal boundaries must at all times be obtained from the Municipal Manager or applicable Senior Manager reporting directly to the Municipal Manager and or officials delegated by them, on the prescribed trip authorization form and payment of such trips will be made within the maximum kilometers of the re-imbursement travel allowance. If the maximum kilometers of the re-imbursement travel allowance is reached, kilometers in excess thereof shall thus be paid in terms of Council's Subsistence and Travelling policy applicable at the time.

6.5 Ad-hoc Travel Allowance in respect of temporary and occasional trips

6.5.1 An ad–hoc Travel allowance shall be payable in cases where temporary or occasional official trips are undertaken by means of private transport.

6.5.2 Employees in positions not in receipt of travelling allowance and in the absence of pool vehicles are requested and agreed to by the Executive Manager to use their private motor vehicles for the official business would be legible to receive the re-imbursement allowance on an ad-hoc basis.

6.5.3 This section applies only for the use of personal vehicles within the demarcated boundaries of the Municipality. Any ad hoc travelling that takes place outside the demarcated municipal boundary shall be claimed in terms of Council's Subsistence and travelling policy applicable at the time.

6.5.4 All ad hoc claims must be approved by the Senior Manager or his/ her nominee.

6.5.5 Other circumstances and conditions ad-hoc application of the allowance, include the following:

6.5.5.1 An employee who holds a position coupled with a Travelling Allowance and who leaves his/her own position shall, from the date and for as long as he/she acts temporarily in the other position, be paid a Travelling Allowance based on the official annual kilometer distance associated with the temporary position, or the Travelling allowance associated with his/her own position; whichever is larger. and the calculation shall be made as follows:

$$A = \frac{(b \times c1}{2} \times \frac{k}{f} + \frac{(b \times c2 \times m}{12} \frac{}{f}$$

Where **A** = the monthly transport allowance.

B = the total car ownership cost per kilometre based on the actual New purchase price of the vehicle supplied by the employee, subject to the provisions of clause vii and on an annual kilometre distance as applicable to the post being acted in.

c1 = the official annual kilometre distance in respect of the position being temporarily filled by the employee, as determined.

c2 = the official annual kilometre distance in respect of the position being temporarily filled by the employee, as determined.

f = the number of working days in the calendar month in which the transport allowance is calculated

k = the number of working days that the employee fills his/her own position in the calendar month referred to in "f"

m = the number of working days in the calendar month referred to in f that the employee fills the temporary position referred to in c2"

6.5.5.2 An employee who holds a position coupled with a Travelling Allowance and acting or temporarily performing the duties of another employee for a period of five working days per month or more shall receive the Travelling allowance associated with the execution of duties associated with the position of the other employee. This additional amount, payable after submission of daily return statements (log sheets).), shall be calculated as follows:

A = g x a

Where **A** = the additional amount
g = the total running cost per kilometre

a = the kilometre distance covered in the execution of duties associated with the position of the other employee

6.5.5.3 When an employee who does not hold a position coupled with Travelling Allowance acts temporarily in the post of another employee who holds a position coupled with a Travelling allowance, the employee concerned shall, if he/she supplies a private vehicle for the period while acting, receive a Travelling allowance associated with the position coupled with a Travelling Allowance. Such locomotion allowance shall be calculated as follows:

$$A = \frac{b \times c \times e}{12}$$

Where **A** = the monthly transport allowance

b = the total car ownership cost per kilometre based on the actual new purchase price of the vehicle supplied by the employee, subject to the provisions of clause 7 and on an annual kilometre distance of 14 000 km.

c = the annual kilometre distance as determined for the position in which the employee acts temporarily

e = the number of working days that the employee acts in the temporary position in the calendar month referred to in "f".

f = the number of working days in the calendar month in which the transport allowance is calculated

6.5.5.4 Any employee to whom the above paragraphs are not applicable and who must, at the insistence of a departmental head, supply occasional transport in the Council's service shall be paid a Travelling Allowance for the actual kilometre distance covered. Maximum of 10 km return for each day that the employee supplies such transport in the Council's service.

The occasional transport allowance shall be calculated as follows:

A = b x c

Where A = the occasional locomotion allowance payable

b = the total car ownership cost per kilometre based on the actual new purchase price of the vehicle supplied by the employee, and on an annual kilometre distance of 14 000 km

c = the actual kilometre distance covered as well as the return trip between home and work.

Calculation of the Recorded Kilometers

4.1.1.1 The kilometre covered in the previous 3 (three) months shall be divided by 3 (three) to obtain the monthly official kilometre distance for the post.

4.1.1.2 Where the incumbent of a post coupled with a transport allowance desires a re-determination of the official distance limit associated with a position, a written notice shall be given to the Manager concerned. Immediately after seven days has lapsed after such notice has been submitted, the employee shall continue to keep a daily return of all official trips up to date for 3(three) months in accordance with the procedure laid down.

4.1.1.3 If an employee is dissatisfied with the provision or re-determination of the official distance limit associated with the position coupled with a locomotion allowance held, the employee may request discussions with the Executive Manager. In the absence of an agreement being reached, the employee may take the matter further in line with the dispute resolution mechanism in the Municipality.

4.1.1.4 Where an employee covers more than 1200 km per month for official purposes, it is suggested as a guideline that such incumbent rather be supplied with an official vehicle. Except in situations where fleet is not available.

4.1.1.5 Employees must make sure that the trips are planned in such a way that they don't exceed the allocated kilometres per month.

6.6 Calculation of the monthly allowance

6.6.1 The basis for the calculation and payment of a running Travelling Allowance shall be as follows:

6.6.1.1 The rate for fixed, fuel and maintenance costs specified in the Applicable AA tables for the vehicles that cover 14 000 a year. Calculations in respect of a running Travelling allowance shall however, be limited to vehicles with a maximum cylinder capacity of 2 500 cc to maximum of 100% of the employee's salary.

6.6.1.2 The approved distance covered for official purposes by means of private transport.

6.6.2 Basis for the calculation and payment of an ad-hoc Travelling Allowance.

The basis for the calculation and payment of an ad-hoc Travelling allowance shall be the same as the running Travelling Allowance as set out more fully in bullet above.

6.6.3 Basis for compensation (AA Tables)

All Travelling Allowance payments shall be calculated according to the "estimated average car ownership costs over six years" of the AA. The AA tables make provision for the cost factors as stated below. All local authorities should therefore use the prescribed tables for the purposes of this scheme to calculate Travelling Allowances whether fixed or ad- hoc by nature.

6.6.4 Fixed costs

Fixed costs These factors include the following elements:

6.6.4.1 Depreciation of new car value, loss of interest (at current rates) comprehensive insurance and license, registration.
6.6.4.2 For purposes of fixed costs the vehicle's purchase price shall be used as a basis.
6.6.4.3 If this price is higher than the vehicle's retail value, the latter value shall be used for calculation purposes.
6.6.4.3.1 The actual purchase price must be associated with the annual distance applicable tothe post concerned.

Table : Calculations in accordance with the AA Rates

FIXED COSTS AVERAGED FIXED COST (C/KM)								
PURCHASE PRICE	ANNUAL DISTANCE TRAVELLED - KM (FIXED COST INDICATED IN CENTS PER KILOMETRE)							
(VAT INCL.)	10000	15000	20000	25000	30000	35000	40000	45000
up to 30,000	92	62	46	37	31	28	24	22
30,001 - 50,000	155	103	78	63	53	46	41	37

50,001 - 75,000	230	153	115	93	78	69	61	55
75,001 - 100,000	308	206	155	125	105	92	81	74
100,001 - 125,000	373	249	187	151	127	111	99	89
125,001 - 150,000	445	297	224	180	152	133	118	107
150,001 - 175,000	506	338	254	205	172	151	134	121
175,001 - 200,000	581	388	292	236	198	174	154	139
200,001 - 250,000	730	487	366	296	249	218	193	175
250,001 - 300,000	848	566	426	344	289	254	225	204
300,001 - 350,000	995	664	500	404	339	298	264	239
350,001 - 400,000	1143	763	574	464	390	342	303	275
> 400,001	1294	864	650	525	441	387	343	311

6.6.5 Fuel Costs

This factor is in relation to the price of ordinary fuel as at the current cost per litre

6.6.6 Maintenance Costs

This factor includes the following elements; tyres, parts, repairs, servicing, lubrication, washing and polishing over a period of six years, being the life of the car. To obtain maintenance costs in cents/ kilometre the engine size in relation to the annual distance covered shall be taken into account.

6.6.7 Total Ownership Costs

This factor represents the sum total of the vehicle's fixed fuel and maintenance costs and forms the basis on which the calculation of Travel allowances shall be made.

No deviation from the above calculations which represents the tendency of projected average car ownership costs over six years shall be allowed. MCLM must therefore use the prescribed tables for the purposes of this scheme to calculate Travel allowances whether fixed or ad- hoc by nature.

6.7 Choice of Vehicle and Purchase Price

6.7.1 The choice of vehicle that the employee wishes to purchase shall be vested in the employee, on the express understanding that the vehicle shall be suitable for the execution of the employee's duties unless otherwise agreed by the Municipality and the employee.

6.7.2 **NB: The purchase of a second hand vehicle shall be subject to the issue of a certificate of fitness by an inspection officer appointed by the Municipality to report on the general condition of the vehicle.**

6.7.3 The maximum purchase price of the vehicle shall not exceed 100% of the relevant employee's annual salary excluding all bonuses and allowances.

6.7.4 Where the purchase price of the vehicle exceeds the maximum annual salary amount, the employee shall pay the difference.

6.7.5 The vehicle for which Travel allowance is paid must be the vehicle used in discharging of the related function.

6.8 Principles of Compensation

The Travelling Allowance for a specific calendar month will be paid to the employee at the end of that same month, where possible in respect of periods of unpaid leave or the period in the calendar month before an employee assumed duty in the relevant position coupled with a Travelling allowance, an employee's monthly Travelling allowance will be reduced on a pro rata basis.

If an employee purchases a vehicle for a higher amount than 100% of his/her salary, such employee will bear the costs of the extra amount.

6.9 Calculation for Travelling Allowance

The method below shall be used for calculating travelling allowance:

Vehicle Purchase Price versus Annual Basic salary method

Rule 1. The lowest of the two (2) determines the Fixed cost on the Purchase price tables

Rule 2. The Purchase price comprise of the Cost price of the vehicle Plus VAT.

- Engine capacity will determine the Running cost as per running cost table rate.
- Take the sum of the (Fixed Costs + Running Costs) to give the allowance per km.
- Take the Allowance per km, multiply by approved allocated km per month (e.g. 650km, 900km, 1200km etc.)

6.10 Qualifying Criteria for employees

6.10.1 The employee should:

6.10.1.1 Be employed by MCLM

6.10.1.2 Have a valid drivers' licence

6.10.1.3 Have proof of purchase/ ownership documents

6.11 Adjustment and Revision of Travelling Allowance

The calculation of Travel allowance will be automatically adjusted and amended according to the salary increment and AA tables published from time to time. The adjustment in which the AASA publishes such re-calculated car ownership costs.

6.12 Suspension of Travelling Allowance

6.12.1 If an employee who holds a position coupled with a Travelling allowance is transferred at own request to another position not coupled with a Travelling allowance, the allowance shall not be received from the date of transfer.

6.12.2 If an employee who holds a position coupled with a Travelling allowance is transferred to another position not coupled with a Travelling allowance and the employee concerned did not request such transfer, the Travelling allowance will be paid until the end of the repayment period of the car. **Only monthly Travelling allowance will be payable.**

6.12.3 Unless such employee's vehicle is not used by him/her for official purposes during this period in which case the employee's transport allowances shall be calculated as follows:

$$\mathbf{A} = h \times \frac{c}{12}$$

Where A = monthly transport allowance
h = the total cost per kilometre
c = the annual kilometre distance determined in accordance with the policy

.MCLM shall be entitled to cease an employee's Travelling allowance for reasons other than those mentioned above if such withdrawal is based on substantively fair considerations.

If local circumstances justify or necessitate it, the restrictions contained in this policy in respect of specific employee may be relaxed after a proper work study exercise.

6.13 Travelling Allowance link to Vehicle Repayment Period

6.13.1 The maximum period for the repayment of a new vehicle shall **range from 5 to be 7 years.** The Travelling Allowance for a registered vehicle shall be fixed to a maximum period of **(6)**7 years. This Allowance will not be affected by the annual inflationary increases.

6.13.2 If an employee's car must be replaced during the duration of a contract owing to theft, collision or any other circumstances beyond his/her control the restrictions as set out above shall not apply; i.e. an employee can buy a new car and enter into a new 5 (maximum 7) year contract.

6.13.3 After the full re-payment of the purchased vehicle, the incumbent will continue to receive the allowance or purchase a new vehicle for execution of his/ or her functions.

6.8.3 Reviews for Locomotion Allowance will be based on the following:

i. Capital redemption of vehicle to be based on the maximum costs which a staff member can buy which will be the maximum of the equivalent of their annual basic salary.

ii. Operating costs for locomotion allowance will be based on average kilometres traveled over a period of three months and will be equal to, across the board, based on AA rates for the engine size; and the engine size for employees eligible for locomotion allowance will be based on a maximum of 2,5L for employees on level 5-4; 2L for those on level 6-5 and 1,5L for employees below level 6-5.

6.13.4 Frequency of Adjustments

NB: No employees shall receive adjustment of fixed travel allowance during the duration of the repayment period.

6.14 Safeguarding Against Risks

6.14.1 Every employee who receives a Travelling allowance **will MUST** take out a comprehensive vehicle insurance policy to the satisfaction of the Municipality that covers him/her against any fire, theft, accident and consequently damage in respect of the vehicle concerned and also provides SASRIA cover for an uninterrupted period of getting the allowance and be submitted to the respective Managers as and when requested to do so.

6.14.2 An employee who occupies a position that has Travelling Allowance must provide a duplicate registration certificate for the vehicle and a copy of the comprehensive vehicle insurance policy to Human Capital Management Division as proof of ownership and adherence clause above.

6.14.3 Infringement of any of the conditions of the Scheme shall entitle MCLM to withdraw from the contract with accompanying legal remedies.

6.15 Conditions applying to Water and Sanitation Division and Intergrated Environment Management
(In case where pool vehicles were replaced by allocation of Travelling Allowance)

6.15.1 That staff receiving Travelling Allowance purchase vehicles that are suitable for their work requirements.

6.15.2 That staff must purchase vehicles that are affordable so that it would not become a financial burden and impact on service delivery.

6.15.3 That staff understand that subsidy vehicles are to be used in the same manner as they previously used municipal vehicles for, e.g. inspections, loading and transporting of tools, staff and equipment.

7. IMPLEMENTATION OF THE POLICY

Locomotion Allowance will be determined by the approved policy and will not be automatically applied. A record of 3 months log sheets should be kept and recommendations will be made for implementation. No retrospective payment will be paid to the existing officials who are already getting the allowance. Those who were erroneously paid retrospectively will be appropriately addressed with the relevant departments.
The implementation of this policy will be on the 1 July 2011 subject to clause 4.2.1.1.3.

7.1 The implementation of this policy shall be effected a day after approval by Council or immediately after signed by the Municipal Manager

7.2 The Travelling Policy shall not be implemented retrospectively.

8 FINANCIAL IMPLICATIONS

8.1 The implementation of the Traveling Policy has financial implications for the Municipality.

8.2 Implementation of some of the provisions of Traveling Policy shall be subject to the financial viability of the Municipality.

9 MONITORING AND EVALUATION OF THE POLICY

Corporate Support Services (Human Capital Administration) shall monitor and evaluate the implementation of and compliance with the Travel Policy within the Municipality.

10 POLICY REVIEW

This policy will be reviewed every three years and the conditions mentioned in Section 10 will be reviewed annually or as and when there are bargaining council agreements affecting them.

The Travelling Policy is subject to review every two years or where there is new emerging information that has a financial impact on both the employee and/ or the Employer.

11 COMMUNICATION

The Travelling Policy shall be communicated to all Municipal employees using the full range of communication methods available to the Municipality.

12 COMPLIANCE

11.1 Any contravention to the Travelling Policy shall be constituted as misconduct.

11.2 Failure to comply with the provisions as stipulated in this policy may result in disciplinary action being taken against the offending party/employees.

12 PRECEDING POLICIES RESCINDED

The previous policies in respect of this subject are RESCINED and REPLACED with this new policy.

13 SIGNATURES

Municipal Manager:	Maanda Pringle Raedani
Signature:	
Date Approved:	
Effective Date:	